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Before the
Federal Communications Commission
Washington, D.C. 20554

JUL 28 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:

PETITION FOR RULEMAKING TO ADAPT
THE SECTION 214 PROCESS TO THE
CONSTRUCTION OF VIDEO DIALTONE
FACILITIES

RM No. 8491

PETITION FOR RELIEF FROM UNJUST
AND UNREASONABLE DISCRIMINATION
IN THE DEPLOYMENT OF VIDEO
DIALTONE FACILITIES

To: The Commission

REPLY COMMENTS OF LEAGUE OF UNITED LATIN AMERICAN CITIZENS

These comments, by the League of United Latin American Citizens ("LULAC"), respond to the petition for rulemaking referred to above. LULAC is a civil rights organization with a primary focus on education and jobs.

LULAC agrees entirely with a core premise of the petition that initiated this proceeding; namely, that redlining by local exchange carriers in the construction of video dialtone ("VDT") networks should be barred. This is a proposition with which the Commission also has agreed:

"[W]e agree with those parties asserting that encouraging universal service is an implicit goal of video dialtone insofar as we seek to fulfill our mandate under Section 1 of the Communications Act."

Telephone Company -- Television Cross-Ownership Rules, 7 FCC Rcd. 5781, 5806 (1992).

Although LULAC supports petitioners' desire to prevent redlining, it does not support adoption of the specific rules they have proposed to promote this policy. Petitioners urge the FCC to

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adopt a rule providing for automatic rejection of any VDT application in which the percentage of ethnic minorities and low income people served by the proposed VDT network is less than the percentage of such residents in the community as a whole. Petitioners also ask the agency to require that all applicants include in their applications a statistical analysis based on census tract data demonstrating compliance with this standard. And they want a mandatory public hearing on each application to determine whether the applicant has met its obligation to avoid discriminatory VDT deployment. Adoption of these specific rules would retard the speed at which VDT networks are deployed to the disadvantage of all people -- including minorities and low income groups -- by requiring VDT applicants to clear substantial new procedural hurdles in order to obtain approval of their applications.

Rather than seek to prevent redlining by slowing deployment of video dialtone networks, LULAC urges the Commission to issue a notice of inquiry whose purpose is to investigate the options available to prevent discriminatory deployment of all information age technologies and services and to examine the benefits and risks of each option. In this regard, LULAC believes that the single largest barrier to the introduction of new services of direct benefit to minority groups is Section 613(b) of the Communications Act, 47 U.S.C. § 533(b). That statute prohibits local exchange carriers from providing video programming directly to the people served by their VDT networks. Eliminating this provision would

result in numerous additional programming options for consumers, including the minority and low income groups whose interests petitioners claim to represent.^{1/}

Moreover, the notice of inquiry should examine whether there has been discriminatory deployment of new technologies and services by all telecommunications companies, not just local exchange carriers. For example, for many years fiber optic networks operated by so-called competitive access providers have served only large business customers.

CONCLUSION

While LULAC urges the FCC closely to monitor the deployment of new services and technologies to ensure that all consumers receive them at reasonable prices at the earliest feasible time, the agency should not adopt the specific regulations that petitioners have

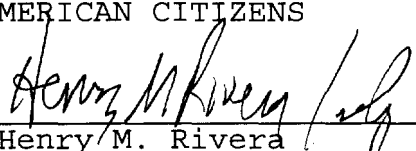
^{1/} It is disturbing that petitioners advocate the erection of regulatory barriers to promote the interests of minorities and low income people since experience shows that the adoption of open entry policies is a better way to facilitate development of innovative services for disadvantaged groups. For example, in 1986 a government policy barring local Bell telephone companies from providing voice mail services over their telephone networks was eliminated notwithstanding objections that the result would be monopolization of the voice mail industry by the Bell companies. Eight years later, voice mail service is one of the most widely developed new telephone services, and it is now available at affordable prices to residential consumers.

advocated. Those regulations would slow the deployment of new technologies rather than prevent the discriminatory offering of new technologies.

Respectfully submitted,

LEAGUE OF UNITED LATIN
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July 28, 1994

CERTIFICATE OF SERVICE

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